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April 8, 1998

The Honorable John M. McHugh
Chairman
Subcommittee on the Postal Service
B349-C Rayburn House Office Bldg.
Washington DC 20151

Dear Mr. Chairman:

The Advertising Mail Marketing Association (AMMA) would like to add these comments to those already provided with the Mailers Coalition For Postal Reform. We specifically want to highlight our views on performance-based incentives.

To be successful, legislative reform should encompass a restructuring of the incentives that motivate postal employees. This includes the use of performance-based pay incentives, similar to those in the private sector, and the elimination of pay caps on executive compensation. Executive pay caps make serve only to eliminate that which incentive performance-based pay is meant to create. We believe that the Board of Governors should develop and monitor meaningful objectives, which then should be used as the determinant for rewarding incentive compensation.

We believe a reorienting of incentives also should be undertaken at the craft level as well. While we understand the reluctance to address in legislation issues that others believe should be a matter for collective bargaining, we urge the Subcommittee to make clear in committee report language that pay-for-performance compensation is not the antithesis of collective bargaining, but is a mechanism for the betterment of all of the Postal Service's constituencies, including mail users and employees.

We appreciate your consideration of our views. If you have any questions, please be sure to contact us.

Sincerely,

Cary H. Baer
Cary H. Baer, Chairman
Board of Directors